

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of:	:	Before the Examiner:
Gerken et al.	:	Zeender, Florian M.
Serial No.: 09/672,435	:	Group Art Unit: 3627
Filed: September 28, 2000	:	
Title: CUSTOMER CHECKOUT	:	IBM Corporation
ACCELERATOR	:	IP Law Dept. YXSA/Bldg. 002
	:	3039 Cornwallis Road
	:	P.O. Box 12195
	:	Research Triangle Park, NC 27709

REPLY BRIEF UNDER 37 C.F.R. §41.41

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

This Reply Brief is being submitted in response to the Examiner's Answer dated June 1, 2006, with a two-month statutory period for response set to expire on August 1, 2006.

I. RESPONSE TO EXAMINER'S ARGUMENTS

- A. Response to Examiner's argument that Bigari and Heady, taken in combination, teach "storing the approval amount in a preapproval cache at a point of sales terminal for use in completing the sales transaction" as recited in claim 1 and similarly in claim 24, as discussed on pages 6-7 of Examiner's Answer.

The Examiner states:

On pages 6-7 of the Brief, the applicant argues that Bigari teaches storing a maximum charge amount at a point of sale terminal. However, Bigari teaches an 'enhanced payment voucher processing apparatus and system wherein the point of purchase register is integrated with payment voucher processing apparatus 10' (See Fig. 5; Col. 9, lines 55-66; and Col. 11, line 66 – Col. 12, line 4). The 'enhanced' apparatus, or second embodiment taught by Bigari, does teach storing a maximum charge amount at a point of sale terminal (See Fig. 5; and Col. 8, lines 6-10) when the 'point of sale terminal' is interpreted to be the entire integrated enhanced apparatus as shown in Fig. 5. Examiner's Answer, pages 6-7.

Appellants respectfully traverse the Examiner's assertion that the point of purchase register is integrated with the payment voucher processing apparatus in a single unit thereby teaching storing the approval amount at a point of sales terminal for use in completing the sales transaction, as recited in claim 1 and similarly in claim 24. Instead, Bigari teaches that the cash register processor 32 is linked by communication line 33 to microprocessor 12. Column 9, lines 59-61. As illustrated in Figure 5, the point of purchase station 31 and the payment voucher apparatus 10 are not integrated in a single unit. Instead, they are linked together by communication line 33 thereby effectively "integrating" them. Bigari uses the term "integrated" to refer to the fact that the point of purchase station 31 is linked in communication with the payment voucher apparatus 10. As further evidence that the point of purchase station 31 and the payment voucher apparatus 10 are not a single unit, Bigari teaches that the payment voucher apparatus is located remotely from the point of purchase station. Column 3, lines 37-38. Bigari further teaches that the customer then endorses the voucher, still at the location remote from the point of purchase station.

Column 4, lines 19-22. Hence, the point of purchase station 31 and the payment voucher apparatus 10 are located in separate locations.

Further, Bigari instead teaches that if the maximum charge amount was approved, microprocessor 12 stores the maximum charge amount at 76 with this amount being correlated to the transaction identification data stored at 48, each of which is stored in memory 26. Hence, the maximum charge amount is stored in the memory 26 of the payment voucher apparatus 10 as illustrated in Figure 5. As stated above, the payment voucher apparatus 10 is located separate from the point of purchase station 31 (Examiner asserts that the point of purchase station 31 teaches the point of sales terminal) and hence Bigari does not teach storing a preapproval amount at a point of sales terminal. Therefore, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 1 and 24, since the Examiner is relying upon incorrect, factual predicates in support of the rejection. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1455 (Fed. Cir. 1998).

- B. Response to Examiner's assertion that the Examiner has provided sufficient motivation for modifying Bigari to include the missing claim limitation of claims 1 and 24, as discussed on pages 7-8 of Examiner's Answer.

The Examiner admits that Bigari does not teach the aspect of a preapproval cache, as recited in claim 1 and similarly in claim 24. Examiner's Answer, page 7. The Examiner cites column 5, lines 7-27 of Heady as teaching the aspect of a preapproval cache. Examiner's Answer, page 7. The Examiner's motivation for modifying Bigari with Heady to incorporate the aspect of a preapproval cache, as recited in claim 1 and similarly in claim 24, is "because providing cache for a processor allows the processor to operate more efficiently and at a higher speed because cache memory serves as a high-speed local memory source." Examiner's Answer, page 7. The Examiner states that the source of such motivation is the knowledge of persons of ordinary skill in the art. Examiner's Answer, page 7.

While a cache may indeed be used to allow the processor to operate more efficiently and at a higher speed, the Examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1458 (Fed. Cir. 1998). Bigari address the problem of providing a suitable credit card system that may be readily implemented at fast food outlets and other high throughput merchants. Column 3, lines 1-9. The Examiner has not provided any reasons as to why one skilled in the art would modify Bigari, which teaches providing a suitable credit card system that may be readily implemented at fast food outlets and other high throughput merchants, to have its point of purchase station 31 (Examiner asserts that the point of purchase station 31 teaches a point of sales terminal) to include a cache to store the approval amount. The Examiner's motivation ("because providing cache for a processor allows the processor to operate more efficiently and at a higher speed because cache memory serves as a high-speed local memory source") does not provide such reasoning. Hence, the Examiner's motivation does not provide reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would modify Bigari to include the missing claim limitation of claims 1 and 24. Accordingly, the Examiner has not presented a *prima facie* case of obviousness for rejecting claims 1, 5, 8, 11, 24 and 33. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1458 (Fed. Cir. 1998).

Further, while the source of motivation for modifying a reference may be from the knowledge of persons of ordinary skill in the art, the Examiner is still required to provide evidence to show that such motivation comes from the knowledge of persons of ordinary skill in the art. *In re Lee*, 61 U.S.P.Q.2d 1430, 1435 (Fed. Cir. 2002). The Examiner's statement that the motivation comes from the knowledge of persons of ordinary skill in the art without providing any evidence is akin to asserting "common knowledge and common sense" which the Federal Circuit has clearly indicated is insufficient to support a *prima facie* case of obviousness. *Id.* Accordingly, the Examiner has not presented a *prima facie* case of obviousness for

rejecting claims 1, 5, 8, 11, 24 and 33. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1458 (Fed. Cir. 1998).

- C. Response to Examiner's assertion that Bigari, Heady and Yanagawa, taken in combination, teach "the act of transmitting the preapproval amount from the customer checkout accelerator to a store controller" as recited in claim 2 and similarly in claim 25, as discussed on page 8 of Examiner's Answer.

The Examiner had previously not addressed the claim limitation of "the act of transmitting the preapproval amount from the customer checkout accelerator to a store controller" as recited in claim 2 and similarly in claim 25. The Examiner now cites column 7, lines 30-35 and element 16 of Figure 5 of Bigari as teaching transmitting the preapproval amount to a host. Examiner's Answer, page 8. The Examiner further cites element 20 of Yanagawa as teaching a store controller. Examiner's Answer, page 8. Appellants respectfully traverse.

Bigari instead teaches that when the maximum charge amount is correct, the customer hits a transmit command key on keyboard 22 which causes the transaction to be transmitted to the open host line 20 so that the maximum charge amount data is electronically transmitted to the host. Column 7, lines 30-35. Hence, Bigari teaches a user inputting a maximum charge amount that is transmitted to the host institution 14. The claim recites "transmitting the preapproval amount from the customer checkout accelerator to a store controller." Instead, the cited passage is directed to a payment voucher processing apparatus 10 (see Figure 1 of Bigari). Therefore, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 2 and 25, since the Examiner is relying upon incorrect, factual predicates in support of the rejection. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1455 (Fed. Cir. 1998).

Further, Bigari teaches that the maximum charge amount is transmitted to the host institution 14. Appellants are unsure if the Examiner is asserting that the host institution 14 of Bigari teaches a store controller. If so, then Appellants respectfully traverse. The Examiner must provide a basis in fact and/or technical reasoning to support the assertion that the host institution 14 of Bigari is a store controller. *See Ex*

parte Levy, 17 U.S.P.Q.2d 1461, 1464 (Bd. Pat. App. & Inter. 1990). That is, the Examiner must provide extrinsic evidence that must make clear that the host institution 14 of Bigari is a store controller, and that it would be so recognized by persons of ordinary skill. *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999). Since the Examiner has not provided any such evidence, the Examiner has not presented a *prima facie* case of obviousness for rejecting claims 2 and 25. M.P.E.P. §2143.

Further, the Examiner appears to be admitting that Bigari does not teach a store controller by asserting that element 20 of Yanagawa teaches a store controller. Examiner's Answer, page 8. However, the Examiner has not provided any motivation for modifying Bigari to have a store controller. In order to establish a *prima facie* case of obviousness, the Examiner must provide some suggestion or motivation, either in the references themselves, the knowledge of one of ordinary skill in the art, or, in some case, the nature of the problem to be solved, to modify the reference or to combine reference teachings. *See In re Dembiczak*, 175 F.3d 994, 999, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999). Whether the Examiner relies on an express or an implicit showing, the Examiner must provide particular findings related thereto. *In re Kotzab*, 55 U.S.P.Q.2d 1313, 1317 (Fed. Cir. 2000). Since the Examiner has not provided any motivation for modifying Bigari with Yanagawa to include the aspect of a store controller, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 2 and 25. M.P.E.P. §2143.

- D. Response to Examiner's assertion that Bigari, Heady and Yanagawa, taken in combination, teach "placing an entry in a preapproval database if the external card services system approves the transaction amount" as recited in claim 3 and similarly in claim 26, as discussed on page 8 of Examiner's Answer.

The Examiner had previously not addressed the claim limitation of "placing an entry in a preapproval database if the external card services system approves the transaction amount" as recited in claim 3 and similarly in claim 26. The Examiner now cites column 10, line 41 – column 11, line 7; and column 11, lines 19-27 of Bigari as well as element 11A of Yanagawa as teaching the above-cited claim

limitation. Examiner's Answer, page 8. It is unclear as to which elements in the above-cited claim limitation are allegedly taught by Bigari or Yanagawa. Further, the Examiner asserts that the storage of customer data takes place in a database is well known in the computer arts. Examiner's Answer, page 8. Appellants respectfully traverse that Bigari and Yanagawa taken in combination teach the above-cited claim limitation.

Bigari instead teaches that it is possible to periodically update the transaction at the host institution by means of the payment voucher processing apparatus 10. Column 10, lines 41-44. Bigari further teaches that the host institution then credits the merchant account by transferring funds to the merchant in an amount equivalent to the credit total, again in the normal course of business. Column 11, lines 1-4. Bigari further teaches that microprocessor 12 then purges memory 26 and returns a payment voucher processing apparatus 10 to the start position. Column 11, lines 5-7. Additionally, Bigari teaches that the present invention contemplates a method for processing charge card transactions for a family of charge cards administered by a host institution. Column 11, lines 18-21. There is no language in the cited passages that teaches placing an entry in a preapproval database. Neither is there any language in the cited passages that teaches placing an entry in a preapproval database if the external card services system approves the transaction amount.

Furthermore, Yanagawa instead teaches that element 11A corresponds to a ledger file stored in the magnetic disc 11 of Figure 3. Column 4, lines 22-23. Yanagawa further teaches that transaction data is transmitted to the host computer 10 to update customer data stored in the ledger file 11A of the host computer. Column 4, lines 3-5. There is no language in the cited passage that teaches placing an entry in a preapproval database. Neither is there any language in the cited passage that teaches placing an entry in a preapproval database if the external card services system approves the transaction amount.

Therefore, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 3 and 26, since the Examiner is relying upon incorrect, factual predicates in support of the rejection. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1455 (Fed. Cir. 1998).

Further, while the storage of customer data taking place in a database may be well known in the computer arts, the above-cited claim limitation does not recite "storing customer data in a database." Instead, the above-cited claim limitation recites "placing an entry in a preapproval database if the external card services system approves the transaction amount." Bigari and Yanagawa, taken in combination, do not teach placing an entry in a preapproval database if the external card services system approves the transaction amount. Therefore, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 3 and 26, since the Examiner is relying upon incorrect, factual predicates in support of the rejection. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1455 (Fed. Cir. 1998).

Further, the Examiner appears to be admitting that Bigari does not teach some of the limitations of the above-cited claim limitation by citing Yanagawa. Examiner's Answer, page 8. However, the Examiner has not provided any motivation for modifying Bigari to include those missing claim limitations. In order to establish a *prima facie* case of obviousness, the Examiner must provide some suggestion or motivation, either in the references themselves, the knowledge of one of ordinary skill in the art, or, in some case, the nature of the problem to be solved, to modify the reference or to combine reference teachings. See *In re Dembiczak*, 175 F.3d 994, 999, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999). Whether the Examiner relies on an express or an implicit showing, the Examiner must provide particular findings related thereto. *In re Kotzab*, 55 U.S.P.Q.2d 1313, 1317 (Fed. Cir. 2000). Since the Examiner has not provided any motivation for modifying Bigari with Yanagawa to include the missing claim limitations of claims 3 and 26, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 3 and 26. M.P.E.P. §2143.

- E. Response to Examiner's assertion that Bigari, Heady and Yanagawa, taken in combination, teach "notifying a point of sales terminal of the approval amount" as recited in claim 4 and similarly in claim 27, as discussed on page 8 of Examiner's Answer.

The Examiner had previously not addressed the claim limitation of "notifying a point of sales terminal of the approval amount" as recited in claim 4 and similarly in claim 27. The Examiner now cites column 7, line 63 – column 8, line 5 of Bigari as teaching the above-cited claim limitation. Examiner's Answer, page 9. Appellants respectfully traverse. Bigari instead teaches that microprocessor 12 determines whether the transaction was approved. Column 8, lines 1-3. Bigari further teaches that if the transaction received a disapproval signal, microprocessor 12 ends the transaction and returns the system to a stop condition. Column 8, lines 3-5. There is no language in the cited passage that teaches notifying a point of sales terminal. Instead, the cited passage discusses the microprocessor 12 of the payment voucher processing apparatus 10. Further, there is no language in the cited passage that teaches notifying a point of sales terminal of the approval amount. Therefore, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 4 and 27, since the Examiner is relying upon incorrect, factual predicates in support of the rejection. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1455 (Fed. Cir. 1998).

- F. Response to Examiner's assertion that Examiner's motivation for modifying Bigari and Heady with Yanagawa to incorporate the missing claim limitation of claims 2 and 25 is sufficient, as discussed on page 9 of Examiner's Answer.

The Examiner asserts that the motivation for modifying Bigari and Heady with Yanagawa to include the limitation of transmitting the preapproval amount from a customer checkout accelerator to a store controller, as recited in claim 2 and similarly in claim 25, is "because store controllers serve as a processing hub for a plurality of POS terminals, therein decreasing the amount of processing power and memory storage capacity required by the POS terminals." Examiner's Answer, page 9. The Examiner states that the source of the motivation is from the knowledge of persons of ordinary skill in the art. Examiner's Answer, page 9.

While the source of motivation for modifying a reference may be from the knowledge of persons of ordinary skill in the art, the Examiner is still required to provide evidence to show that such motivation comes from the knowledge of persons of ordinary skill in the art. *In re Lee*, 61 U.S.P.Q.2d 1430, 1435 (Fed. Cir. 2002). The Examiner's statement that the motivation comes from the knowledge of persons of ordinary skill in the art without providing any evidence is akin to asserting "common knowledge and common sense" which the Federal Circuit has clearly indicated is insufficient to support a *prima facie* case of obviousness. *Id.* Accordingly, the Examiner has not presented a *prima facie* case of obviousness for rejecting claims 2-4 and 25-28. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1458 (Fed. Cir. 1998).

Further, the Examiner asserts that the Examiner's motivation provides reasons as to why one of ordinary skill in the art would modify Bigari to include the aspect of transmitting the preapproval amount from a customer checkout accelerator to a store controller. Examiner's Answer, page 9. Appellants respectfully traverse.

As stated above, Bigari address the problem of providing a suitable credit card system that may be readily implemented at fast food outlets and other high throughput merchants. Column 3, lines 1-9. The Examiner has not provided any reasons as to why one skilled in the art would modify Bigari, which teaches providing a suitable credit card system that may be readily implemented at fast food outlets and other high throughput merchants, to have its point of purchase station 31 (Examiner asserts that the point of purchase station 31 teaches a point of sales terminal) to include the aspect of transmitting the preapproval amount from a customer checkout accelerator to a store controller. The Examiner's motivation ("because store controllers serve as a processing hub for a plurality of POS terminals, therein decreasing the amount of processing power and memory storage capacity required by the POS terminals") does not provide such reasoning. Further, the Examiner has not provided any rationale connection between decreasing the amount of processing power and the aspect of transmitting the preapproval amount from a customer

checkout accelerator to a store controller. Neither has the Examiner provided any rationale connection between decreasing the memory storage capacity and the aspect of transmitting the preapproval amount from a customer checkout accelerator to a store controller. Hence, the Examiner's motivation does not provide reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would modify Bigari to include the missing claim limitation of claims 2 and 25. Accordingly, the Examiner has not presented a *prima facie* case of obviousness for rejecting claims 2-4 and 25-28. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1458 (Fed. Cir. 1998).

- G. Response to Examiner's assertion that Bigari, Heady and Terranova, taken in combination, teach "creating a record of any additional items added to the sales transaction; appending the additional items record to a preapproval database entry for the sales transaction" as recited in claim 16 and similarly in claims 21, 38 and 43, as discussed on page 10 of Examiner's Answer.

The Examiner had previously not addressed the claim limitation of "creating a record of any additional items added to the sales transaction; appending the additional items record to a preapproval database entry for the sales transaction" as recited in claim 16 and similarly in claims 21, 38 and 43. The Examiner now cites column 10, line 41 – column 11, line 7; and column 11, lines 19-27 of Bigari as well as column 9, lines 5-13 and column 10, lines 60-63 of Terranova as teaching the above-cited claim limitations. Examiner's Answer, page 10. It is unclear as to which elements in the above-cited claim limitation are allegedly taught by Bigari or Terranova. Further, the Examiner asserts that storage of customer data taking place in a database is well known in the computer arts. Appellants respectfully traverse that Bigari and Terranova, taken in combination, teach the above-cited claim limitations.

Bigari instead teaches that it is possible to periodically update the transaction at the host institution by means of the payment voucher processing apparatus 10. Column 10, lines 41-44. Bigari further teaches that the host institution then credits the merchant account by transferring funds to the merchant in an amount equivalent

to the credit total, again in the normal course of business. Column 11, lines 1-4. Bigari further teaches that microprocessor 12 then purges memory 26 and returns a payment voucher processing apparatus 10 to the start position. Column 11, lines 5-7. Additionally, Bigari teaches that the present invention contemplates a method for processing charge card transactions for a family of charge cards administered by a host institution. Column 11, lines 18-21. There is no language in the cited passages that teaches creating a record of any additional items added to the sales transaction. Neither is there any language in the cited passages that teaches appending the additional items record to a preapproval database entry for the sales transaction.

Terranova instead teaches that the dispenser control system 80 provides a graphical user interface with key pad 102 and display 100. Column 9, lines 5-6. Terranova further teaches that audio/video electronics 86 is adapted to interface with the dispenser control system 80 and/or an auxiliary audio/video source 156 to provide advertising, merchandising and multimedia presentations to a customer in addition to basic transaction functions. Column 9, lines 6-11. Terranova further teaches that an Internet interface may also be provided for transactions and other information relating to operation, advertising, merchandising and general inventory and management functions. Column 10, lines 60-63. There is no language in the cited passages that teaches creating a record of any additional items added to the sales transaction. Neither is there any language in the cited passages that teaches appending the additional items record to a preapproval database entry for the sales transaction.

Therefore, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 16, 21, 38 and 43, since the Examiner is relying upon incorrect, factual predicates in support of the rejection. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1455 (Fed. Cir. 1998).

Further, while the storage of customer data taking place in a database may be well known in the computer arts, the above-cited claim limitation does not recite "storing customer data in a database." Instead, the above-cited claim limitation

recites "creating a record of any additional items added to the sales transaction; appending the additional items record to a preapproval database entry for the sales transaction." Bigari and Terranova, taken in combination, do not teach these claim limitations. Therefore, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 16, 21, 38 and 43, since the Examiner is relying upon incorrect, factual predicates in support of the rejection. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1455 (Fed. Cir. 1998).

Further, the Examiner appears to be admitting that Bigari does not teach some of the limitations of the above-cited claim limitations by citing Terranova. Examiner's Answer, page 10. However, the Examiner has not provided any motivation for modifying Bigari to include those missing claim limitations. In order to establish a *prima facie* case of obviousness, the Examiner must provide some suggestion or motivation, either in the references themselves, the knowledge of one of ordinary skill in the art, or, in some case, the nature of the problem to be solved, to modify the reference or to combine reference teachings. See *In re Dembiczak*, 175 F.3d 994, 999, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999). Whether the Examiner relies on an express or an implicit showing, the Examiner must provide particular findings related thereto. *In re Kotzab*, 55 U.S.P.Q.2d 1313, 1317 (Fed. Cir. 2000). Since the Examiner has not provided any motivation for modifying Bigari with Terranova to include the missing claim limitations of claims 16, 21, 38 and 43, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 16, 21, 38 and 43. M.P.E.P. §2143.

Additionally, the test for obviousness is what the combined teachings of the references would have suggested to one of ordinary skill in the art, and all teachings in the prior art must be considered to the extent that they are in analogous arts. M.P.E.P. §2143.01. In order to rely on a reference as a basis for rejection under 35 U.S.C. §103(a), the reference must either be in the field of Appellants' endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned. *In re Oetiker*, 977 F.2d 1443, 1446, 24 U.S.P.Q.2d 1443, 1445 (Fed.

Cir. 1992). The Examiner cites Bigari, Heady and Terranova references in his rejection of claims 16, 21, 38 and 43 under 35 U.S.C. §103(a). The Terranova reference addresses the problem of having fuel dispensers and systems capable of communicating with various types of transponders and detecting their movement within and throughout a fueling environment. Column 1, lines 8-38. Appellants, on the other hand, address the problem of enhancing the payment process in retail stores. Specification, page 2, lines 4-8. Hence, the Terranova is not in the same field as Appellants' endeavor and is not reasonably pertinent to solving the problem of enhancing the payment process in retail stores. As a result, the Terranova reference is not an analogous prior art and the Examiner has not established a *prima facie* case of obviousness in rejecting claims 15-23 and 37-45. M.P.E.P. §2141.01; 2143.01.

- H. Response to Examiner's assertion that Bigari, Heady and Terranova, taken in combination, teach "the act of reading the additional items record into a sales transaction record at a point of sale terminal" as recited in claim 17 and similarly in claims 22, 39 and 44, as discussed on page 10 of Examiner's Answer.

The Examiner had previously not addressed the claim limitation of "the act of reading the additional items record into a sales transaction record at a point of sale terminal" as recited in claim 17 and similarly in claims 22, 39 and 44. The Examiner now states:

Bigari teaches making a sales transaction record and Terranova teaches promotional merchandise that can be added to the sales transaction (Terranova Col. 10, lines 60-63; and Col. 9, lines 5-13). The combination of references teaching the limitation in the claim. Examiner's Answer, page 10.

As understood by Appellants, the Examiner asserts that Terranova teaches the act of reading the additional items record into a sales transaction record. Appellants respectfully traverse. Terranova instead teaches that the dispenser control system 80 provides a graphical user interface with key pad 102 and display 100. Column 9, lines 5-6. Terranova further teaches that audio/video electronics 86 is adapted to interface with the dispenser control system 80 and/or an auxiliary audio/video source

156 to provide advertising, merchandising and multimedia presentations to a customer in addition to basic transaction functions. Column 9, lines 6-11. Terranova further teaches that an Internet interface may also be provided for transactions and other information relating to operation, advertising, merchandising and general inventory and management functions. Column 10, lines 60-63. There is no language in the cited passages that teaches reading the additional items record. Neither is there any language in the cited passages that teaches reading the additional items record into a sales transaction record. Therefore, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 17, 22, 39 and 44, since the Examiner is relying upon incorrect, factual predicates in support of the rejection. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1455 (Fed. Cir. 1998).

Furthermore, the Examiner is ignoring claim language. The above-cited claim limitation recites "the act of reading the additional items record into a sales transaction record at a point of sale terminal." The Examiner has not addressed the element of reading the additional items record into a sales transaction record at a point of sale terminal. All words in a claim must be considered in judging the patentability of that claim against the prior art. *In re Wilson*, 424 F.2d 1382, 1385, 165 U.S.P.Q. 494, 496 (C.C.P.A. 1970); M.P.E.P. §2143.03. Since the Examiner has not cited to any passage in any of the cited passages that teaches the above-cited element, the Examiner has not established a *prima facie* case of obviousness in rejecting claims 17, 22, 39 and 44. M.P.E.P. §2143.

Further, the Examiner appears to be admitting that Bigari does not teach some of the limitations of the above-cited claim limitations by citing Terranova. Examiner's Answer, page 10. However, the Examiner has not provided any motivation for modifying Bigari to include those missing claim limitations. In order to establish a *prima facie* case of obviousness, the Examiner must provide some suggestion or motivation, either in the references themselves, the knowledge of one of ordinary skill in the art, or, in some case, the nature of the problem to be solved, to modify the reference or to combine reference teachings. See *In re Dembiczak*, 175

F.3d 994, 999, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999). Whether the Examiner relies on an express or an implicit showing, the Examiner must provide particular findings related thereto. *In re Kotzab*, 55 U.S.P.Q.2d 1313, 1317 (Fed. Cir. 2000). Since the Examiner has not provided any motivation for modifying Bigari with Terranova to include the missing claim limitations of claims 17, 22, 39 and 44, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 17, 22, 39 and 44. M.P.E.P. §2143.

- I. Response to Examiner's assertion that "updating a vendor-based tracking database to bill the vendor for displaying a vendor advertisement on the customer checkout accelerator when the approval from the external card services is approved," as recited in claim 18 and similarly in claim 40, is well known in the art as discussed on pages 10-11 of Examiner's Answer.

The Examiner takes Official Notice that "updating a vendor-based tracking database to bill the vendor for displaying a vendor advertisement on the customer checkout accelerator when the approval from the external card services is approved," as recited in claim 18 and similarly in claim 40, is well known in the art. Appellants' Appeal Brief (October 26, 2005), page 15; Examiner's Answer, page 11. The Examiner cites M.P.E.P. §2144.03(c), first paragraph, as evidence that the Examiner's use of the Official Notice is proper. In particular, the Examiner focuses on the language "applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art" in M.P.E.P. §2144.03(c). Appellants respectfully traverse.

M.P.E.P. §2144.03(c) focuses on the fact that a general allegation that the claims define a patentable invention without any reference to the Examiner's assertion of Official Notice would be inadequate. M.P.E.P. §2144.03(c) further indicates that if Appellants adequately traversed the Examiner's assertion of Official Notice, the Examiner must provide documentary evidence in the next Office Action if the rejection is to be maintained. The Examiner instead relies upon his own subjective

opinion, without any evidence, to support the assertion that it is well known in the art to update a vendor-based tracking database to bill the vendor for displaying a vendor advertisement on the customer checkout accelerator when the approval from the external card services is approved. Appellants did not present a general allegation that claims 18 and 40 are patentable without any reference to the Examiner's use of the Official Notice. Instead, Appellants specifically noted that Appellants have repeatedly asserted that "updating a vendor-based tracking database to bill the vendor for displaying a vendor advertisement on the customer checkout accelerator when the approval from the external card services is approved" is not well known in the art. Appellants' Appeal Brief (October 26, 2005), page 15. The Examiner continuously ignored Appellants' request to provide evidence as required in M.P.E.P. §2144.03(c) since presumably the Examiner cannot provide such evidence. The Examiner, in turn, effectively asserts that the burden is on Appellants to show why the Examiner is wrong to assert that it is well known in the art to update a vendor-based tracking database to bill the vendor for displaying a vendor advertisement on the customer checkout accelerator when the approval from the external card services is approved. The Examiner is mistaken. The Examiner bears the initial burden and must submit objective evidence and not rely on his own subjective opinion in support of a *prima facie* case of obviousness. *In re Oetiker*, 24 U.S.P.Q.2d 1443, 1444 (Fed. Cir. 1992). Further, Appellants have no knowledge of any article, publication or patent that teaches updating a vendor-based tracking database to bill the vendor for displaying a vendor advertisement on the customer checkout accelerator when the approval from the external card services is approved. Appellants have indicated this as such in Appellants' responses and Appeal Briefs and do not know what other evidence the Examiner wants from Appellants. Since the Examiner continuously asserts that the above-cited claim limitation is so well known in the art, Appellants would assume that it would be easy for the Examiner to cite a reference teaching such a limitation. However, the Examiner has refused to do so. Therefore, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 18 and 40. M.P.E.P. §§2142-2144.

- J. Response to Examiner's assertion that Bigari, Heady and Terranova, taken in combination, teach "configuring a selection of additional categories of items to be displayed on the customer checkout accelerator based on customer preferences wherein some or all of the categories of items can be made available through a hyperlink to one or more Internet web sites; and storing the category selections in a customer loyalty database that is maintained by the retail store" as recited in claim 19 and similarly in claim 41, as discussed on pages 11-12 of Examiner's Answer.

The Examiner had previously not addressed the claim limitation of "configuring a selection of additional categories of items to be displayed on the customer checkout accelerator based on customer preferences wherein some or all of the categories of items can be made available through a hyperlink to one or more Internet web sites; and storing the category selections in a customer loyalty database that is maintained by the retail store" as recited in claim 19 and similarly in claim 41. The Examiner now cites column 1, lines 42-63; column 2, lines 29-41; column 9, lines 5-13; and column 10, lines 60-63. Examiner's Answer, page 11. The Examiner further states that Bigari teaches storing customer information at a host controller. Examiner's Answer, pages 11-12. It is unclear as to which elements in the above-cited claim limitation are allegedly taught by Bigari or Terranova. Appellants respectfully traverse that Bigari and Terranova, taken in combination, teach the above-cited claim limitations.

Terranova instead teaches that the present invention is adapted to personalize a fueling operation on an individual customer basis. Column 1, lines 41-42. Terranova further teaches that the customer may elect to receive an audible or visual greeting at or near the beginning of the transaction. Column 2, lines 29-30. Terranova further teaches that the dispenser control system 80 provides a graphical user interface with key pad 102 and display 100. Column 9, lines 5-6. Terranova further teaches that audio/video electronics 86 is adapted to interface with the dispenser control system 80 and/or an auxiliary audio/video source 156 to provide advertising, merchandising and multimedia presentations to a customer in addition to basic transaction functions. Column 9, lines 6-11. Terranova further teaches that an

Internet interface may also be provided for transactions and other information relating to operation, advertising, merchandising and general inventory and management functions. Column 10, lines 60-63. There is no language in the cited passages that teaches configuring a selection of additional categories of items to be displayed on the customer checkout accelerator. Neither is there any language in the cited passages that teaches configuring a selection of additional categories of items to be displayed on the customer checkout accelerator based on customer preferences. Neither is there any language in the cited passages that teaches configuring a selection of additional categories of items to be displayed on the customer checkout accelerator based on customer preferences wherein some or all of the categories of items can be made available through a hyperlink to one or more Internet web sites. Neither is there any language in the cited passages that teaches storing the category selections in a customer loyalty database that is maintained by the retail store. Therefore, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 19 and 41, since the Examiner is relying upon incorrect, factual predicates in support of the rejection. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1455 (Fed. Cir. 1998).

Further, the Examiner appears to be admitting that Bigari does not teach some or all of the limitations of the above-cited claim limitations by citing Terranova. Examiner's Answer, pages 11-12. However, the Examiner has not provided any motivation for modifying Bigari to include those missing claim limitations. In order to establish a *prima facie* case of obviousness, the Examiner must provide some suggestion or motivation, either in the references themselves, the knowledge of one of ordinary skill in the art, or, in some case, the nature of the problem to be solved, to modify the reference or to combine reference teachings. See *In re Dembiczak*, 175 F.3d 994, 999, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999). Whether the Examiner relies on an express or an implicit showing, the Examiner must provide particular findings related thereto. *In re Kotzab*, 55 U.S.P.Q.2d 1313, 1317 (Fed. Cir. 2000). Since the Examiner has not provided any motivation for modifying Bigari with Terranova to include the missing claim limitations of claims 19 and 41, the Examiner

has not presented a *prima facie* case of obviousness in rejecting claims 19 and 41. M.P.E.P. §2143.

- K. Response to Examiner's assertion that "updating a vendor-based tracking database to bill the vendor for displaying on the customer checkout accelerator a vendor advertisement for merchandise that can be made available through a hyperlink to the vendor's Internet web site when the approval from the external card services system is approved," as recited in claim 23 and similarly in claim 45, is well known in the art, as discussed on pages 12-13 of Examiner's Answer.

The Examiner takes Official Notice that "updating a vendor-based tracking database to bill the vendor for displaying on the customer checkout accelerator a vendor advertisement for merchandise that can be made available through a hyperlink to the vendor's Internet web site when the approval from the external card services system is approved," as recited in claim 23 and similarly in claim 45, is well known in the art. Appellants' Appeal Brief (October 26, 2005), pages 17-18; Examiner's Answer, page 12. The Examiner cites M.P.E.P. §2144.03(c), first paragraph, as evidence that the Examiner's use of the Official Notice is proper. In particular, the Examiner focuses on the language "applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art" in M.P.E.P. §2144.03(c). Appellants respectfully traverse.

M.P.E.P. §2144.03(c) focuses on the fact that a general allegation that the claims define a patentable invention without any reference to the Examiner's assertion of Official Notice would be inadequate. M.P.E.P. §2144.03(c) further indicates that if Appellants adequately traversed the Examiner's assertion of Official Notice, the Examiner must provide documentary evidence in the next Office Action if the rejection is to be maintained. The Examiner instead relies upon his own subjective opinion, without any evidence, to support the assertion that it is well known in the art to update a vendor-based tracking database to bill the vendor for displaying on the customer checkout accelerator a vendor advertisement for merchandise that can be made available through a hyperlink to the vendor's Internet web site when the

approval from the external card services system is approved. Appellants did not present a general allegation that claims 23 and 45 are patentable without any reference to the Examiner's use of the Official Notice. Instead, Appellants specifically noted that Appellants have repeatedly asserted that "updating a vendor-based tracking database to bill the vendor for displaying on the customer checkout accelerator a vendor advertisement for merchandise that can be made available through a hyperlink to the vendor's Internet web site when the approval from the external card services system is approved" is not well known in the art. Appellants' Appeal Brief (October 26, 2005), page 18. The Examiner continuously ignored Appellants' request to provide evidence as required in M.P.E.P. §2144.03(c) since presumably the Examiner cannot provide such evidence. The Examiner, in turn, effectively asserts that the burden is on Appellants to show why the Examiner is wrong to assert that it is well known in the art update a vendor-based tracking database to bill the vendor for displaying on the customer checkout accelerator a vendor advertisement for merchandise that can be made available through a hyperlink to the vendor's Internet web site when the approval from the external card services system is approved. The Examiner is mistaken. The Examiner bears the initial burden and must submit objective evidence and not rely on his own subjective opinion in support of a *prima facie* case of obviousness *In re Oetiker*, 24 U.S.P.Q.2d 1443, 1444 (Fed. Cir. 1992). Further, Appellants have no knowledge of any article, publication or patent that teaches updating a vendor-based tracking database to bill the vendor for displaying on the customer checkout accelerator a vendor advertisement for merchandise that can be made available through a hyperlink to the vendor's Internet web site when the approval from the external card services system is approved. Appellants have indicated this as such in Appellants' responses and Appeal Briefs and do not know what other evidence the Examiner wants from Appellants. Since the Examiner continuously asserts that the above-cited claim limitation is so well known in the art, Appellants would assume that it would be easy for the Examiner to cite a reference teaching such a limitation. However, the Examiner has

refused to do so. Therefore, the Examiner has not presented a *prima facie* case of obviousness in rejecting claims 23 and 45. M.P.E.P. §§2142-2144.

L. Response to Examiner's motivation for modifying Bigari to include the limitations of claims 23 and 45, as discussed on pages 12-13 of Examiner's Answer.

The Examiner has previously not provided a motivation for modifying Bigari to include the limitations of claims 23 and 45. The Examiner now asserts that the motivation for modifying Bigari to include claim limitations of claims 23 and 45 is "because utilizing the customer display to advertise to customers will increase the likelihood of additional sales while the customer is merely waiting and further provides a higher level of service to the customer." Examiner's Answer, pages 12-13. The Examiner asserts that the source of this motivation comes from the knowledge of persons of ordinary skill in the art. Examiner's Answer, page 13. Appellants respectfully assert that the Examiner's motivation is insufficient to establish a *prima facie* case of obviousness in rejecting claims 23 and 45.

Most if not all inventions arise from a combination of old elements. *See In re Rouffet*, 47 U.S.P.Q.2d 1453, 1457 (Fed. Cir. 1998). Obviousness is determined from the vantage point of a hypothetical person having ordinary skill in the art to which the patent pertains. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1457 (Fed. Cir. 1998). Therefore, an Examiner may often find every element of a claimed invention in the prior art. *Id.* However, identification in the prior art of each individual part claimed is insufficient to defeat patentability of the whole claimed invention. *See Id.* In order to establish a *prima facie* case of obviousness, the Examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1458 (Fed. Cir. 1998). That is, the Examiner must provide some suggestion or motivation, either in the references themselves, the knowledge of one of ordinary skill in the art, or, in some case, the nature of the problem to be solved, to modify the reference or to

combine reference teachings. See *In re Dembiczak*, 175 F.3d 994, 999, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999). Whether the Examiner relies on an express or an implicit showing, the Examiner must provide particular findings related thereto. *In re Kotzab*, 55 U.S.P.Q.2d 1313, 1317 (Fed. Cir. 2000).

The Examiner's motivation ("because utilizing the customer display to advertise to customers will increase the likelihood of additional sales while the customer is merely waiting and further provides a higher level of service to the customer") does not provide reasons, as discussed further below, that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would modify Bigari to include the missing claim limitations of claims 23 and 45. Accordingly, the Examiner has not presented a *prima facie* case of obviousness for rejecting claims 23 and 45. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1458 (Fed. Cir. 1998).

As stated above, Bigari address the problem of providing a suitable credit card system that may be readily implemented at fast food outlets and other high throughput merchants. Column 3, lines 1-9. The Examiner has not provided any reasons as to why one skilled in the art would modify Bigari, which teaches providing a suitable credit card system that may be readily implemented at fast food outlets and other high throughput merchants, to update a vendor-based tracking database to bill the vendor for displaying on the customer checkout accelerator a vendor advertisement for merchandise that can be made available through a hyperlink to the vendor's Internet web site when the approval from the external card services system is approved (claim limitations of claims 23 and 45). The Examiner's motivation ("because utilizing the customer display to advertise to customers will increase the likelihood of additional sales while the customer is merely waiting and further provides a higher level of service to the customer") does not provide such reasoning. Hence, the Examiner's motivation does not provide reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would modify Bigari to include the missing claim limitation of

claims 23 and 45. Accordingly, the Examiner has not presented a *prima facie* case of obviousness for rejecting claims 23 and 45. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1458 (Fed. Cir. 1998).

Further, while the source of motivation for modifying a reference may be from the knowledge of persons of ordinary skill in the art, the Examiner is still required to provide evidence to show that such motivation comes from the knowledge of persons of ordinary skill in the art. *In re Lee*, 61 U.S.P.Q.2d 1430, 1435 (Fed. Cir. 2002). The Examiner's statement that the motivation comes from the knowledge of persons of ordinary skill in the art without providing any evidence is akin to asserting "common knowledge and common sense" which the Federal Circuit has clearly indicated is insufficient to support a *prima facie* case of obviousness. *Id.* Accordingly, the Examiner has not presented a *prima facie* case of obviousness for rejecting claims 23 and 45. *In re Rouffet*, 47 U.S.P.Q.2d 1453, 1458 (Fed. Cir. 1998).

M. Other matters raised by the Examiner.

All other matters raised by the Examiner have been adequately addressed above and in Appellants' Replacement Appeal Brief and therefore will not be addressed herein for the sake of brevity.

II. CONCLUSION

For the reasons stated above and in Appellants' Replacement Appeal Brief, Appellants respectfully assert that the rejections of claims 1-5, 8, 11, 15-28, 33 and 37-45 are in error. Appellants respectfully request reversal of the rejections and allowance of claims 1-45.

Respectfully submitted,

WINSTEAD SECHREST & MINICK P.C.

Attorneys for Appellants

By: 

Robert A. Voigt, Jr.

Reg. No. 47,159

Kelly K. Kordzik

Reg. No. 36,571

P.O. Box 50784
Dallas, Texas 75201
(512) 370-2832

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